

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Wireline Competition Bureau Seeks Comment on)	WC Docket No. 10-188
Business Broadband Marketplace)	
)	

COMMENTS OF COMCAST CORPORATION

Comcast Corporation (“Comcast”) supports the Commission’s effort to gain a more detailed and comprehensive understanding of the current marketplace for the provision of broadband services to small and medium-sized businesses as well as enterprise users.¹ Long a leader in providing advanced voice, video and data services to residential consumers, Comcast also provides services to small businesses and, more recently, has focused more resources on providing facilities-based competitive choice to larger commercial customers.

I. THE CURRENT COMMERCIAL BROADBAND MARKETPLACE

Comcast generally views the business marketplace as consisting of three segments: small businesses (those with fewer than 20 employees), medium-sized businesses (20 – 500 employees), and enterprise customers (over 500 employees). As discussed below, each of these segments has different service needs that Comcast and other competing providers are addressing. Comcast’s business class services are provided over its nationwide broadband Internet Protocol (IP) network in which it has

¹ *Wireline Competition Bureau Seeks Comment on Business Broadband Marketplace*, WC Docket No. 10-188, Public Notice, DA 10-1743 (rel. Sept. 15, 2010) (“Public Notice”).

invested tens of billions of dollars of private risk capital to constantly upgrade and develop and deploy new technologies to deliver an array of services, notably including recent investments to expand its service offerings for business customers.²

Comcast today offers small business consumers a “triple play” of advanced digital Voice over Internet Protocol (“VoIP”), high-speed Internet access, and video services. Comcast’s Business Class Voice service is a feature-rich, IP-based offering that includes unlimited local and long distance calling.³ Comcast’s Business Class Internet service offers commercial customers products with varying download speeds, ranging from as low as 12 megabits per second (Mbps) to as fast as 50 Mbps, as well as a variety of additional features, such as enhanced security software, hosted email and collaboration tools, and web hosting.⁴ Comcast’s Business Class TV service enables customers to offer High Definition and other digital video services in conference rooms, waiting rooms, and other commercial areas.⁵

² Even in the current economic downturn, Comcast continues to devote substantial resources to improving its business-class offerings. Comcast’s Chief Financial Officer indicated during a call with investors in July 2010 that he expected Comcast’s capital expenditures during the second half of 2010 would increase slightly above the \$2.1 billion expended during the first half of the year, “as we continue to invest to sustain momentum in Business Services, and expand our efforts for the mid-sized businesses and cell backhaul.” Comcast Corp., Transcript of Management Discussion of Second Quarter 2010 Results at 4 (July 28, 2010), *available at*: <http://files.shareholder.com/downloads/CMCSA/1026173317x0x391044/4414f8c7-a69e-4b94-9753-909a5f680991/Comcast_Transcript_7.28.10.pdf>.

³ *See generally* “Business Phone Service from Comcast” (viewed Oct. 15, 2010), *available at*: <<http://business.comcast.com/phone/index.aspx>>.

⁴ *See generally* “Comcast Business Class High Speed Internet” (viewed Oct. 15, 2010), *available at*: <<http://business.comcast.com/internet/index.aspx>>.

⁵ *See generally* “Business Class TV Service from Comcast” (viewed Oct. 15, 2010), *available at*: <<http://business.comcast.com/tv/index.aspx>>.

As noted, Comcast more recently has devoted greater attention to the provision of advanced digital voice, high-speed Internet, and data services to medium-sized businesses and enterprise customers. These services are generally based on standards and best practices promulgated by groups such as the IETF and Metro-Ethernet Forum and are furnished over Comcast's state-of-the-art broadband network.⁶

Competing successfully to serve the medium-sized business and enterprise segments presents challenges because, among other things, larger commercial customers tend to have more stringent design and operational needs that require higher capacity services with more exacting technical specifications than small business customers typically demand. To meet this demand, Comcast has introduced Metro-Ethernet services that are frequently attractive to larger commercial customers with data-intensive needs.⁷ These services enable customers to link together multiple locations and exchange data at a rate of up to one gigabit per second and provide high-speed connections to the Internet. These products include: a) Dedicated Internet Service, that offers a reliable, scalable connection between a customer's local area network ("LAN") and the public Internet; b) Ethernet Network Service, that provides multi-point to multi-point service with customer-configured Virtual LANs; and c) Ethernet Private Line and Ethernet Virtual Private Line Service, that is designed to meet the needs of firms that require customized, point-to-point networks capable of handling intensive bandwidth requirements without disrupting their other voice and data traffic.

⁶ For a recent description of Comcast's network, focusing on its robust reliability and survivability, *see* Comments of Comcast Corporation, PS Docket No. 10-92, at 4-16 (June 25, 2010, filed June 28, 2010).

⁷ *See generally* "Ethernet Data Services" (viewed Oct. 15, 2010), *available at*: <<http://business.comcast.com/large/ethernet.aspx>>.

Because Comcast is relatively new to the medium and enterprise business marketplace, it continues to look for ways to efficiently accelerate its expansion into new geographic areas where it can compete with the incumbent local exchange carriers to serve those customer segments. Earlier this year, for example, the Commission approved Comcast's acquisition of the assets of CIMCO Communications, Inc. ("CIMCO"), an established provider of telecommunications services to medium and enterprise business customers in the Chicago metropolitan area.⁸ As the Commission anticipated, this acquisition has already allowed Comcast "to benefit from the experience, expertise and capabilities" of CIMCO in better serving medium and enterprise business customers.⁹

II. TRENDS IN THE COMMERCIAL BROADBAND MARKETPLACE

The Public Notice generally seeks comment on key trends in the business broadband marketplace.¹⁰ Simply stated, the overriding trend in the commercial sector among businesses of all sizes is a constant demand for services that offer faster speeds, greater security, and more features at reasonable prices, particularly in the current challenging economic climate. Comcast, consequently, must continue to make substantial investments in the research, development, and deployment of business-class services that meet this continuing demand.

With respect to small businesses, for example, Comcast has dramatically increased the speed of its broadband Internet offerings, allowing customers to save time

⁸ *Applications Filed for the Acquisition of Certain Assets of CIMCO Communications, Inc. by Comcast Phone LLC, Comcast Phone of Michigan, LLC and Comcast Business Communications, LLC*, Memorandum Opinion and Order and Order on Reconsideration, 25 FCC Rcd 3401 (2010). CIMCO also served several other areas, although its presence in Chicago was by far the largest.

⁹ *Id.* ¶¶ 4, 38, 40.

¹⁰ Public Notice at 1, 3.

and money. Currently, as noted above, Comcast offers most small businesses in its service territory the option of obtaining Business Class Internet service with a download speed of 50 Mbps.¹¹ Comcast also is beginning to roll out a new Internet service that will be able to download data at speeds of up to 100 Mbps.

One way to offer small and medium-sized businesses access to advanced applications and features on a cost-effective basis is to provide them through a “hosted” platform. Many advanced communications and computing products are frequently too costly for such businesses if the hardware and software must be installed by the customer on its premises. Comcast, for example, maintains a hosted platform that provides its Business Class Internet customers access to Microsoft’s suite of “cloud-based” e-mail and messaging solutions, including advanced features regarding security (secure e-mail backup, anti-spam, and anti-virus), sharing (shared calendaring, shared contacts, document sharing, and Microsoft SharePoint collaboration solution), and storage (e-mail archiving and retrieval, and e-mail storage of 2 GB per year). A recent study by the Yankee Group estimates that a 25-person firm using the Comcast hosted platform instead of deploying a premises-based e-mail and messaging system would save over \$11,000 in the first year and more than \$36,000 within three years.¹² With this service, small businesses gain cost-effective access to the same communications tools used by many of the world’s largest corporations. Hosted voice products that enhance a commercial customer’s voice service are also on the horizon. For instance, Comcast has launched a trial of a hosted private branch exchange (“PBX”) solution for small and medium

¹¹ This option is available in about 80 percent of Comcast’s footprint.

¹² Yankee Group, “Comcast and Microsoft Help Small Businesses Cut Costs with E-Mail and Messaging,” at 1 (Oct. 2009), *available at*: <<http://business.comcast.com/pdfs/Yankee-Group-Cut-Costs-with-MCS-100209.pdf>>.

businesses in certain parts of Comcast's footprint. Like other hosted services, this service will offer commercial customers the advantage of the economies of scale that Comcast can realize by using a single site to serve multiple customers. Small business customers, consequently, are able to enjoy all the advanced features of an IP-based PBX, but without the large equipment and IT costs that would have to be incurred for an on-premise solution.

For larger businesses that prefer to install PBXs on their premises, Comcast has recently begun to roll out a trunk-side Integrated Services Digital Network Primary Rate Interface ("PRI") service. This service provides a replacement for local exchange carrier PRI services, generally reducing the customer's operating costs. Comcast's PRI solution can be deployed alongside its Business Class Internet services. Such a combination provides the customer a competitive voice alternative, state-of-the-art High Speed Internet access service, and a hosted email/collaboration environment in a single solution from a single provider.

Finally, the Notice seeks comment on the effect of "consumer electronics companies seeking to embed broadband in devices."¹³ In Comcast's view, installing features in consumer electronic products that enable customers to make more efficient use of broadband is a positive trend. This development may foster the kind of "virtuous cycle" described in the National Broadband Plan: increased demand for efficient devices and applications will, in turn, spur demand for broadband, prompting service providers to boost the speed, functionality, and reach of their networks, thereby allowing companies to develop yet more powerful, capable, and efficient devices and applications to connect

¹³ Public Notice at 3.

to those networks.¹⁴ As more businesses make use of cost-effective broadband services, applications, and devices, the value of being connected to the broadband network will increase for all Americans.¹⁵

III. CONCLUSION

Comcast looks forward to assisting the Commission in its development of a more comprehensive understanding of the commercial broadband marketplace and the broadband offerings available to businesses of all sizes.

Respectfully submitted,

/s/ Kathryn A. Zachem

Kathryn A. Zachem

Mary P. McManus

COMCAST CORPORATION

2001 Pennsylvania Avenue, NW

Suite 500

Washington, D.C. 20006

(202) 379-7134

(202) 379-7141

Brian A. Rankin

COMCAST CABLE COMMUNICATIONS, LLC

One Comcast Center, 50th Floor

Philadelphia, PA 19103

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¹⁴ See FCC, “Connecting America: The National Broadband Plan,” at 15-16 (rel. March 16, 2010), *available at*: <<http://download.broadband.gov/plan/national-broadband-plan.pdf>> (“National Broadband Plan”).

¹⁵ *Id.* at 15.

Certificate of Service

I hereby certify that on this 15th day of October, 2010, I caused a true and correct copy of the foregoing Comments of Comcast Corporation to be mailed by electronic mail to:

Tim Stelzig
Competition Policy Division
Wireline Competition Bureau
Federal Communications Commission
tim.stelzig@fcc.gov

Heather Hendrickson
Competition Policy Division
Wireline Competition Bureau
Federal Communications Commission
heather.hendrickson@fcc.gov

Best Copy and Printing, Inc. (BCPI)
fcc@bcpiweb.com

/s/ Ruth E. Holder
Ruth E. Holder